

This record is a partial extract of the original cable. The full text of the original cable is not available.

181401Z Mar 05

ACTION AF-00

INFO	LOG-00	NP-00	AID-00	CEA-01	CTME-00	INL-00	DODE-00
	DOEE-00	PERC-00	EAP-00	EB-00	EXIM-01	E-00	VC-00
	FRB-00	TEDE-00	INR-00	ITC-01	LAB-01	L-00	VCE-00
	AC-00	NRC-00	NSAE-00	NSCE-00	OES-00	OIG-00	OMB-00
	NIMA-00	MCC-00	GIWI-00	ACE-00	FMPC-00	SP-00	SSO-00
	SS-00	STR-00	BBG-00	EPAE-00	IIP-00	SCRS-00	DRL-00
	G-00	SAS-00	/004W				

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FM AMEMBASSY ACCRA
TO SECSTATE WASHDC PRIORITY 8142
INFO DEPT OF TREASURY WASHDC PRIORITY
CIA WASHDC PRIORITY
USDOC WASHDC PRIORITY 0398

C O N F I D E N T I A L ACCRA 000553

SIPDIS

TREASURY FOR ALEX SEVERENS, LUKAS KOHLER
PASS TO MILLENNIUM CHALLENGE CORP WASHDC

E.O. 12958: DECL: 03/17/2010
TAGS: [EFIN](#) [ENRG](#) [ETRD](#) [KMCA](#) [GH](#)
SUBJECT: AMBASSADOR AND NEW ENERGY MINISTER DISCUSS
QUESTIONABLE OIL REFINERY DEAL

REF: ACCRA 552

Classified By: Ambassador Mary C. Yates for Reasons 1.5 (B and D)

Summary

1. (C) During a March 14 courtesy call on new Energy Minister Mike Oquaye (see Reftel for readout) Ambassador Yates inquired about the GoG's recent agreement with "Arabian Gulf Oil Limited," purportedly from Bahrain, on a USD 2.8 billion oil refinery investment. Oquaye was unable to give details, despite having signed the agreement himself. End Summary.

Oquaye Fails to Explain Murky Oil Refinery Deal

2. (C) The Ambassador inquired about local press reports that the GoG and Arabian Gulf Oil Limited (AGOL), of either Bahrain or Saudi Arabia, signed an agreement on March 10 for AGOL to build a new oil refinery in Ghana. AGOL representatives announced to the press that they would invest roughly USD 2.8 billion (25 trillion cedis) in the refinery, which would refine 200,000 barrels of oil per day (almost five times TOR's capacity). The refinery would be located in the free zone near Takoradi.

3 (C) The Ambassador noted that searches on GOOGLE only turned up an Arabian Gulf Oil Company from Libya. She also noted that it seemed strange that the first mention of this company was the deal signing, in comparison with other investors like Newmont Mining, who spend months laying the groundwork with the GoG, Parliament, and public before signing a deal. Although Oquaye was pictured in the main dailies (Ghanaian Times and Daily Graphic) signing the deal, he responded that he did not have sufficient information about the deal and would have to look into it.

Trade Minister Kyerematen's Perspective on the deal

4. (C) The Ambassador also raised this during a March 16 courtesy call with Trade Minister Kyerematen (readout septel), himself not a stranger to GoG deals with questionable private parties. Kyerematen said he first heard of the oil refinery deal from articles in the papers. He agreed it was strange there had been no prior news about what would be the largest ever foreign investment in Ghana. He criticized the free zones for their failure to do due diligence on prospective investors, and assured Ambassador he would make inquiries about this deal with other cabinet Ministers, including Oquaye

5. (C) Embassy will continue to inquire at various levels of government about the realities of this massive investment, and will also raise it with private sector contacts (CMS Energy, Chevron-Exaco) to get their take on this highly questionable deal.

YATES

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